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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )

Amendment of Part 90 of the )  
Commission's Rules to Facilitate )  
Future Development of SMR Systems )  
in the 800 MHz Frequency Band )

PR Docket No. 93-144  
RM-8117, RM-8030  
RM-8029

and

Implementation of Section 309(j) )  
of the Communications Act - )  
Competitive Bidding )  
800 MHz SMR )

PP Docket No. 93-253

To: The Commission

**REPLY COMMENTS OF  
POLAR COMMUNICATIONS MUTUAL AID CORPORATION**

Polar Communications Mutual Aid Corporation ("Polar"), by its attorneys, submits its reply comments with respect to the Further Notice Of Proposed Rule Making ("NPRM"), FCC 94-271, released November 4, 1994, and to the initial comments filed in this proceeding.

**Interest of Polar**

Polar is an independent local exchange carrier ("LEC") serving twenty-two exchanges (approximately 8,500 access lines) in rural, northeastern North Dakota. It has ascertained that its wireline customers -- who are primarily farmers and ranchers -- need basic, reliable and economical SMR dispatch services in order to maintain contact with their trucks, tractors, combines and other vehicles as they operate throughout the local area during the working day. Likewise, Polar has discovered unmet needs for interconnected SMR services by rural residents who live or travel outside existing

cellular coverage areas, or who cannot or do not want to pay generally high cellular service rates. Therefore, Polar wishes to provide local dispatch and interconnected SMR services to farmers, ranchers, and other northeastern North Dakota residents.

On November 23, 1993, Polar filed a "Petition For Rule Making" requesting elimination of the current Section 90.603(c) prohibition against the holding of SMR system licenses by wireline carriers. Subsequently, the Commission initiated a rule making on this same issue, Eligibility for the Specialized Mobile Radio Services and Radio Services in the 220-222 MHz Land Mobile Band and Use of Radio Dispatch Communications, GN Docket No. 94-90, released August 11, 1994. Polar submitted comments therein supporting the Commission's proposed elimination of the wireline restriction.

If either the Commission's tentative 800 MHz licensing proposal or the counterproposal of Nextel Communications, Inc. ("Nextel") are adopted herein, the opportunities for entry by Polar and other independent LECs into the local SMR business would be largely foreclosed prior to the conclusion of GN Docket No. 94-90. Polar respectfully asks the Commission to preserve the SMR spectrum as a viable means for both new and existing small operators to provide basic local dispatch and interconnected SMR services in rural and other areas.

**THE PROPOSED LICENSING OF 800 MHz SPECTRUM  
PREDOMINATELY ON A WIDE-AREA BASIS WILL CURB THE  
DEVELOPMENT AND EXISTENCE OF NEEDED LOCAL SMR SERVICES**

The Commission has tentatively proposed to license 200 of the

280 existing 800 MHz SMR channels in four 50-channel blocks in each Major Trading Area ("MTA"). These wide-area systems normally would be assigned via competitive bidding. Although existing licensees on the 200 channels would be allowed to continue operating on their previously authorized channels at their previously authorized sites, they would not be able to expand their service areas. In addition, such existing licensees are likely to encounter frequent, disruptive interference from MTA licenses constructing and modifying their systems on a "self-coordinated" basis with no prior FCC review. Hence, where the 80 remaining local SMR channels remain available, existing local "upper band" SMR licensees are likely to migrate "voluntarily" to them, thereby further limiting the channels available to independent LECs seeking to enter or expand in the SMR sector.

The Nextel counterproposal differs from the Commission's in that it is designed solely to further Nextel's perceived interests. Rather than taking a chance that a competitor might obtain one or more of the Commission's proposed 50-channel blocks, Nextel seeks the assignment of all 200 "upper band" channels in a single block in each MTA. And, rather than negotiating with "upper band" licensees regarding voluntary relocation, Nextel requests mandatory relocation of existing facilities -- to the "lower 80" channels in congested areas and to Business Category and General Category channels in non-congested areas.

In Polar's opinion, both the Commission and Nextel misperceive the nature and extent of the need for SMR service. Polar's long

experience in providing wireline telephone service to northeastern North Dakota residents has shown it that telecommunications service needs and customer mobility patterns are primarily local. In particular, the basic need for wireless service is to supplement wireline service by permitting farmers and ranchers to contact their vehicles on the property, and while they are travelling to and from nearby towns. Polar knows of no northeastern North Dakota business or resident that needs SMR service throughout Minnesota, North Dakota, and South Dakota, plus northwestern Wisconsin -- that is, throughout the Minneapolis-St. Paul MTA. To the extent that a handful of businesses or individuals might need wide-area service in the future, it is already available on a roaming basis from existing cellular providers, and will soon be available from broadband Personal Communications Service ("PCS") licensees.

Put simply, the principal need for SMR service in northeastern North Dakota is for local dispatch and interconnected services. Because most of the potential customers are small businesses such as farms and ranches, these services need to be basic, no-frills offerings that can be furnished at low-to-moderate prices (i.e., in the \$10-20 per month per unit range, rather than the \$60-80 per month per unit range contemplated for enhanced, wide-area SMR services). Polar believes that SMR service needs are similar in many other areas -- both rural and urban.

Under these circumstances, the Commission would be ill-advised to designate 71.4 percent of existing 800 MHz SMR spectrum to wide-area use on an MTA basis. Aside from Nextel's desire to

convert its SMR channels to cellular-type facilities, there appears to be little or no public demand or desire for a massive replacement of local SMR services by wide-area systems. Even if some wide-area demand were demonstrable, would it not be more prudent for the Commission to wait and see whether it was satisfied by the forthcoming new MTA and BTA broadband PCS systems before disrupting or curtailing local SMR services and opportunities?

In Polar's case, the Commission's tentative proposal and Nextel's counterproposal come at a time when Polar's hopes had been raised by GN Docket No. 94-90 that it would soon be able to seek and obtain the SMR channels necessary to respond to unsatisfied local dispatch and interconnected wireless service needs within northeastern North Dakota. However, Polar and its prospective customers have no need for a system encompassing the Minneapolis-St. Paul MTA<sup>1</sup>, nor does Polar have the resources to acquire, construct and operate such a wide-area system. Moreover, the need to relocate existing "upper band" SMR licensees -- whether on a voluntary or mandatory basis -- can be expected to substantially curtail the availability of local SMR channels in other bands.

Polar's situation is exacerbated by the proximity of its northeastern North Dakota service area to the Canadian border.

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<sup>1</sup> Looking at the problem from another direction, the proposed MTA licensing scheme will discourage service to sparsely populated rural areas such as northeastern North Dakota. Given that the Minneapolis-St. Paul MTA licensee(s) must satisfy minimum population coverage guidelines, their incentive will be to serve Minneapolis, St. Paul and other urban areas within the MTA by the 3-year and 5-year checkpoints, and to postpone or eliminate service to rural areas.

Whereas the Commission has tentatively concluded that the creation of different allocations in border areas would be administratively unworkable, NPRM, para. 28, the problem is that international treaties preclude the use of many "upper band" and most "lower band" SMR channels near the Canadian border. In other words, the licensing of SMR systems in northeastern North Dakota and other areas near the Canadian border will make it even more difficult than elsewhere for existing and prospective local SMR services to find channels.

Finally, the Commission's tentative proposal to prohibit SMR providers from obtaining General Category and Pool Channels will further tighten the noose around the necks of local SMR providers. NPRM, par. 53. If "upper band" channels are licensed on an MTA basis and if "lower band" channels, where available, are needed for the relocation of existing local licensees, the handful of potentially available General Category and Pool channels may be the only opportunity for entry by LECs and other new local SMR providers. At the same time, Polar understands that few such channels are actually available in border or non-border areas, and that Nextel's proposal for reliance by local SMR providers on "150 contiguous General Category channels and 50 Business Category channels" in non-congested areas (Nextel Comments, p. 35) is unlikely to afford significant relief.

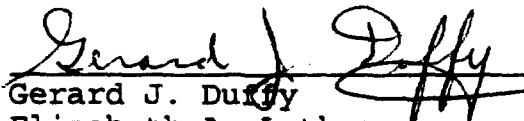
#### CONCLUSION

Polar urges the Commission to preserve 800 MHz SMR service as a local service for existing and prospective operators and

customers. Whereas Nextel can operate its existing 800 MHz SMR systems on a wide-area basis where it has obtained waivers to do so, it ought to be required to compete for broadband PCS licenses if it wishes to devote substantial amounts of additional spectrum to this end. Rather than transferring 71.4 percent of existing SMR spectrum to unneeded and disruptive wide-area uses, the Commission should streamline its SMR application processes and permit the entry of rural LECs like Polar that can readily fill unmet local SMR service needs.

Respectfully submitted,  
**POLAR COMMUNICATIONS MUTUAL AID  
CORPORATION**

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